

CALIFORNIA GAMBLING CONTROL COMMISSION

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NOTICE OF PROPOSED RULEMAKING
TITLE 4. CALIFORNIA GAMBLING CONTROL COMMISSION
“Checks / Credit”
CGCC-GCA-2007-R-6

The California Gambling Control Commission (“Commission”) proposes to adopt the regulations described below after considering all comments, objections, or recommendations regarding the proposed action.

PROPOSED REGULATORY ACTION: The Commission proposes to adopt section 12381 concerning the extension of credit, check cashing and automatic teller machines, and 12410, concerning unclaimed or abandoned property, of Title 4 of the California Code of Regulations.

NO PUBLIC HEARING SCHEDULED AT THIS TIME

At this time, the Commission has not scheduled a public hearing. Any interested person or his or her duly authorized representative may request a hearing pursuant to Government Code section 11346.8 no later than 15 days prior to the close of the comment period.

WRITTEN COMMENT PERIOD

January 25 to March 12, 2008

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commission at any time during the 45-day public comment period. To be considered for summary and response, **all written comments must be received no later than 5:00 p.m., March 12, 2008**.

Requests for a public hearing or written comments for the Commission’s consideration should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;
Fax: 916-263-0452, E-mail: hhoganson@cgcc.ca.gov.

AUTHORITY AND REFERENCE

Authority for the proposed regulations is provided by various provisions of the Gambling Control Act, which may be found in Business and Professions Code sections 19800--19980. In particular, Business and Professions Code sections 19841, subsection (g) provides specific authority.

The proposed regulation implements, interprets, or makes specific Business and Professions Code sections 19801, 19841, subdivisions (g), (h), and (j), sections 19920 and 19954, which are included as reference citations in the proposed regulations.

INFORMATIVE DIGEST AND POLICY STATEMENT OVERVIEW

The Gambling Control Act (Business and Professions Code, section 19800 et seq.) provides the Commission jurisdiction over controlled gambling and all activity that is related to the conduct of controlled gambling. The Commission is also tasked with creating rules governing the extension of credit and check cashing and recordkeeping regarding cash and credit transactions.

The proposed regulations will require that cardrooms comply with all laws regarding issuance of credit or check cashing, and will address the placement and accessibility of ATMs. The regulations will specify the information licensees must obtain before extending credit to patrons. The regulations will describe the procedures that must be followed in cashing patrons checks and will specify the types of checks that may and may not be cashed by licensees. In addition, the regulations will require that ATMs in gambling establishments not be accessible to patrons directly from a gambling table and that they be configured to not accept Electronic Benefit Transfer cards.

The proposed regulations also describe the responsibilities of licensees in accounting for and disposing of unclaimed or abandoned property left in the care and custody of the licensee. Compliance with the Unclaimed Property Law will be required, if applicable, and if that does not apply to a particular situation, this regulation provides for deposits to be made into the Gambling Addiction Program Fund.

DISCLOSURES REGARDING THE PROPOSED ACTION

Mandate on local agencies and school districts: These regulations do not impose a mandate on local agencies or school districts.

Cost or savings to any state agency: None.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code section 17561: None.

Other non-discretionary cost or savings imposed upon local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impact on representative private person or business: Some gambling establishments may have to modify their internal policies or control mechanisms to comply with these regulations, but this one-time cost would be minimal. Many gambling establishments already have compliant rules in place or are forbidden from offering credit by local ordinance, so no additional costs would be incurred as a result of these regulations.

Impact on Business: The Commission has made an initial determination that the proposed regulatory changes will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

Significant effect on housing costs: The Commission has made an initial determination that the proposed regulatory action would not affect housing costs.

Effect on small business: These proposed regulations may affect small businesses. Some cardrooms may be small businesses; the cost effect on these cardrooms is the same as that addressed under "private person or business."

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5(a)(13), the Commission must determine that no reasonable alternative considered by the Commission or that has otherwise been identified and brought to the attention of the Commission would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

ASSESSMENT REGARDING CREATION OR ELIMINATION OF JOBS IN CALIFORNIA

The Commission has made an assessment and determined that the adoption of the proposed regulation will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California.

CONTACT PERSONS

Inquiries concerning the substance of the proposed action should be directed to:

Heather Hoganson, Counsel, California Gambling Control Commission,
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;
Telephone: 916-263-0490, Fax: 916-263-0452, E-mail: hhoganson@cgcc.ca.gov.

Requests for a copy of the proposed text of the regulation, the initial statement of reasons, the modified text of the regulation, if any, or other technical information upon which the rulemaking is based should be directed to:

Jim Allen, Regulatory Actions Coordinator, California Gambling Control Commission,
2399 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833-4231;
Telephone: 916-263-0700, Fax: 916-263-0452, E-mail: jallen@cgcc.ca.gov.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Commission will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at the office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulation, and the Initial Statement of Reasons. A copy may be obtained by contacting the regulatory actions coordinator at the address or telephone number listed above or accessing the Commission's website at <http://www.cgcc.ca.gov>. Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the Regulations Coordinator or viewed on the website.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the comment period, the Commission may adopt the proposed regulation substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, will be made available to the public for at least 15 days prior to the date on which the Commission adopts the regulation. Requests for copies of any modified regulation should be sent to the attention of the regulatory actions coordinator at the address indicated above.

The Commission will accept written comments on the modified regulation for 15 days after the date on which it is made available.